

The Role of Postsecondary Education in Economic and Community Development

A STRATEGIC AGENDA

for Kentucky Postsecondary
and Adult Education



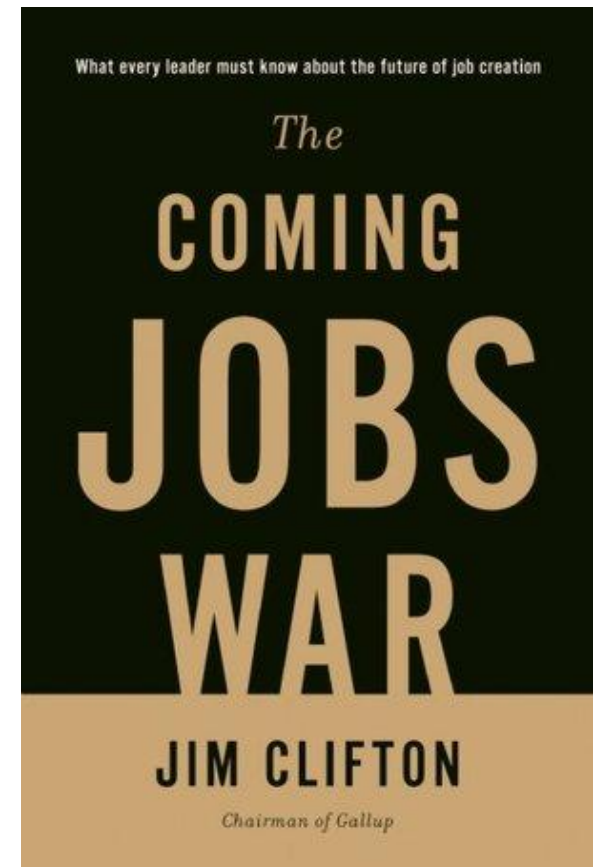
By Robert L. King, President, Kentucky Council on Postsecondary Education

Kentucky Magistrates and Commissioners Association

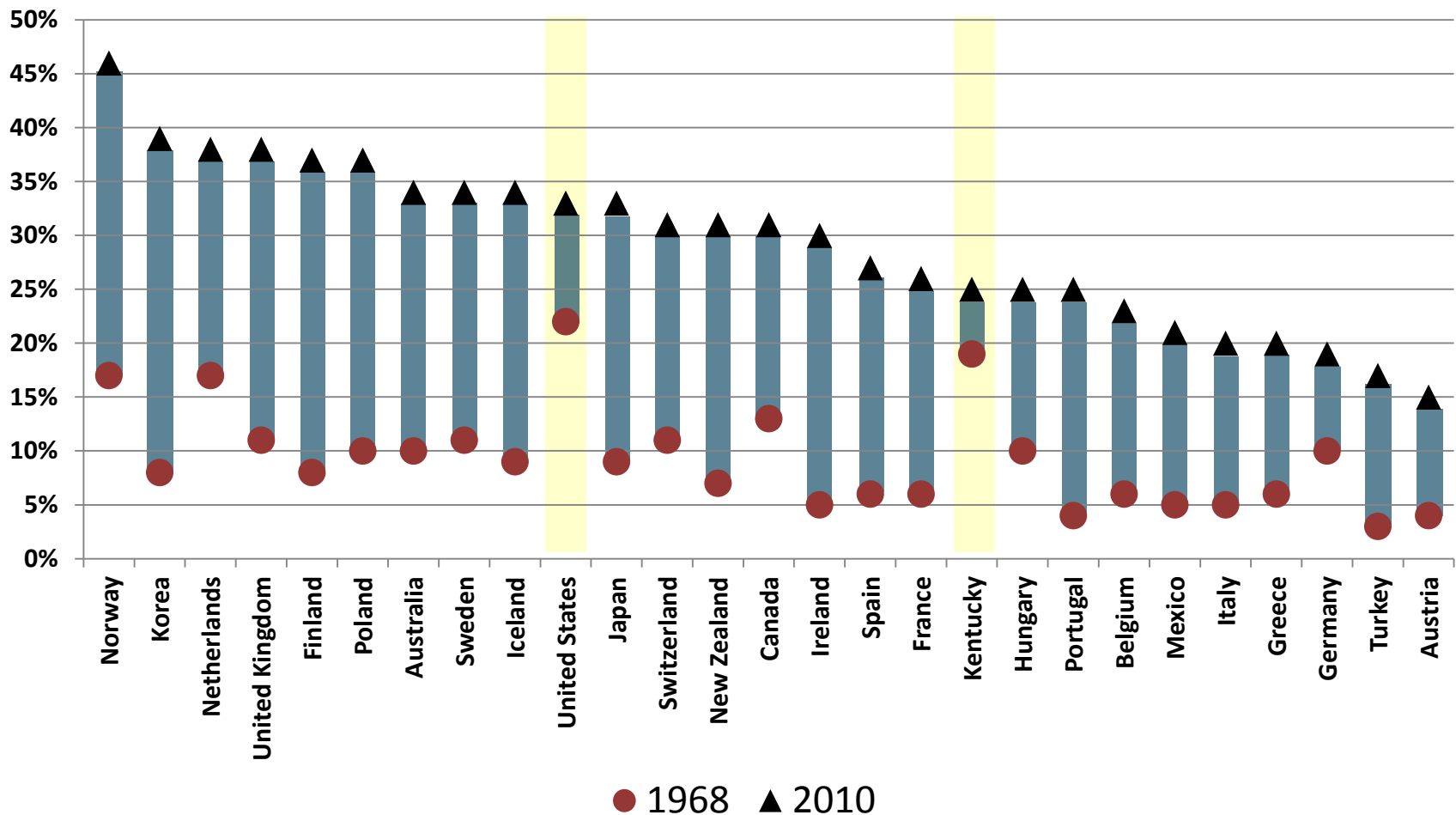
April 5, 2013

A Global War for Good Jobs is Coming.

- 3 billion people reported to Gallup they want a job that consumes at least 30 hours per week, and by implication pays a living wage.
- Only 1.2 billion jobs in the world currently fit that description.
- As the foreign workforce becomes more educated, competition for jobs will be fierce.



Baccalaureate Attainment, 25-34 Age Cohort, 1968 and 2010

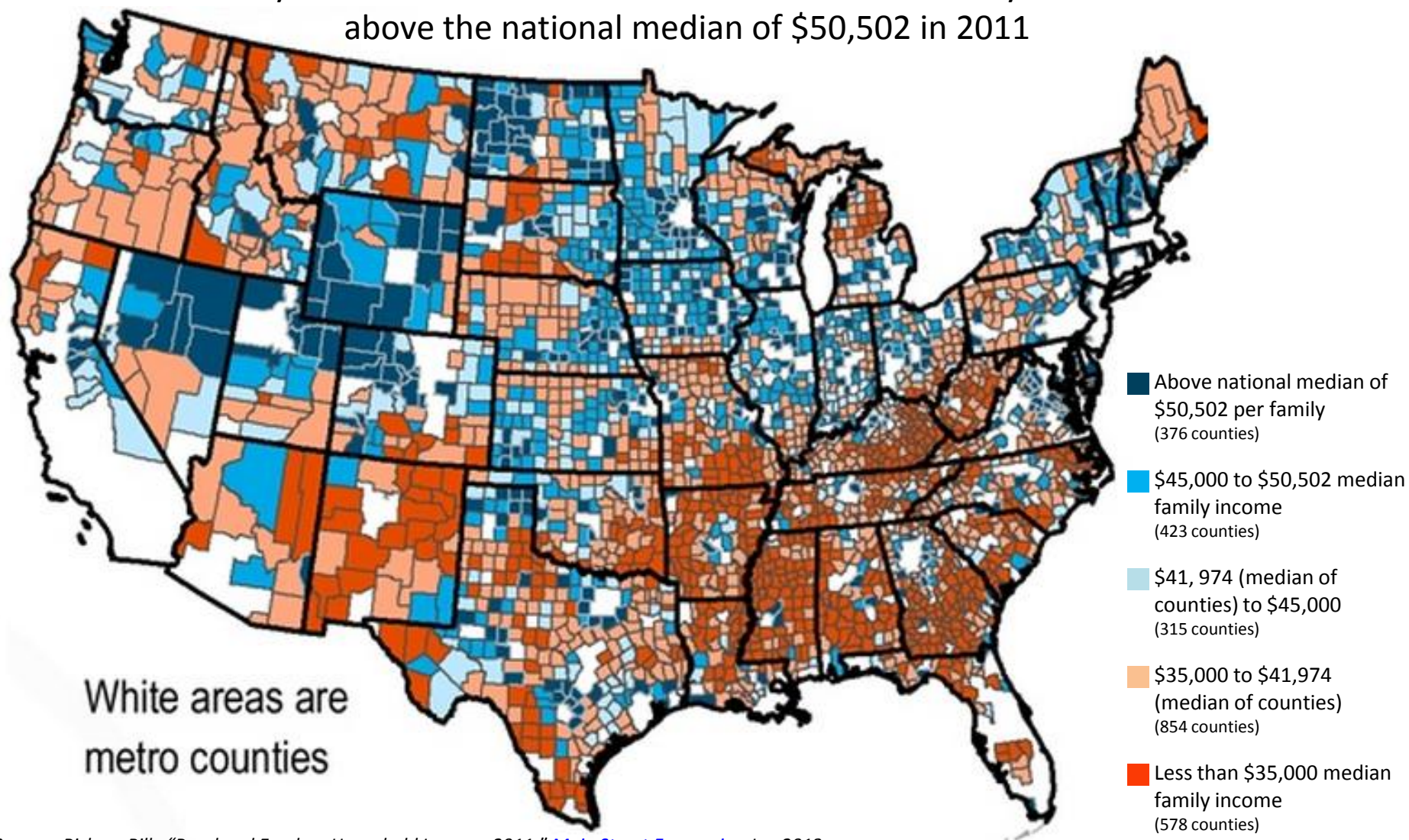


Source: Education at a Glance: 2012 OECD Indicators, U.S. Census Bureau.



Rural/Exurban Incomes in 2011

Only 376 rural or exurban counties had median family incomes above the national median of \$50,502 in 2011



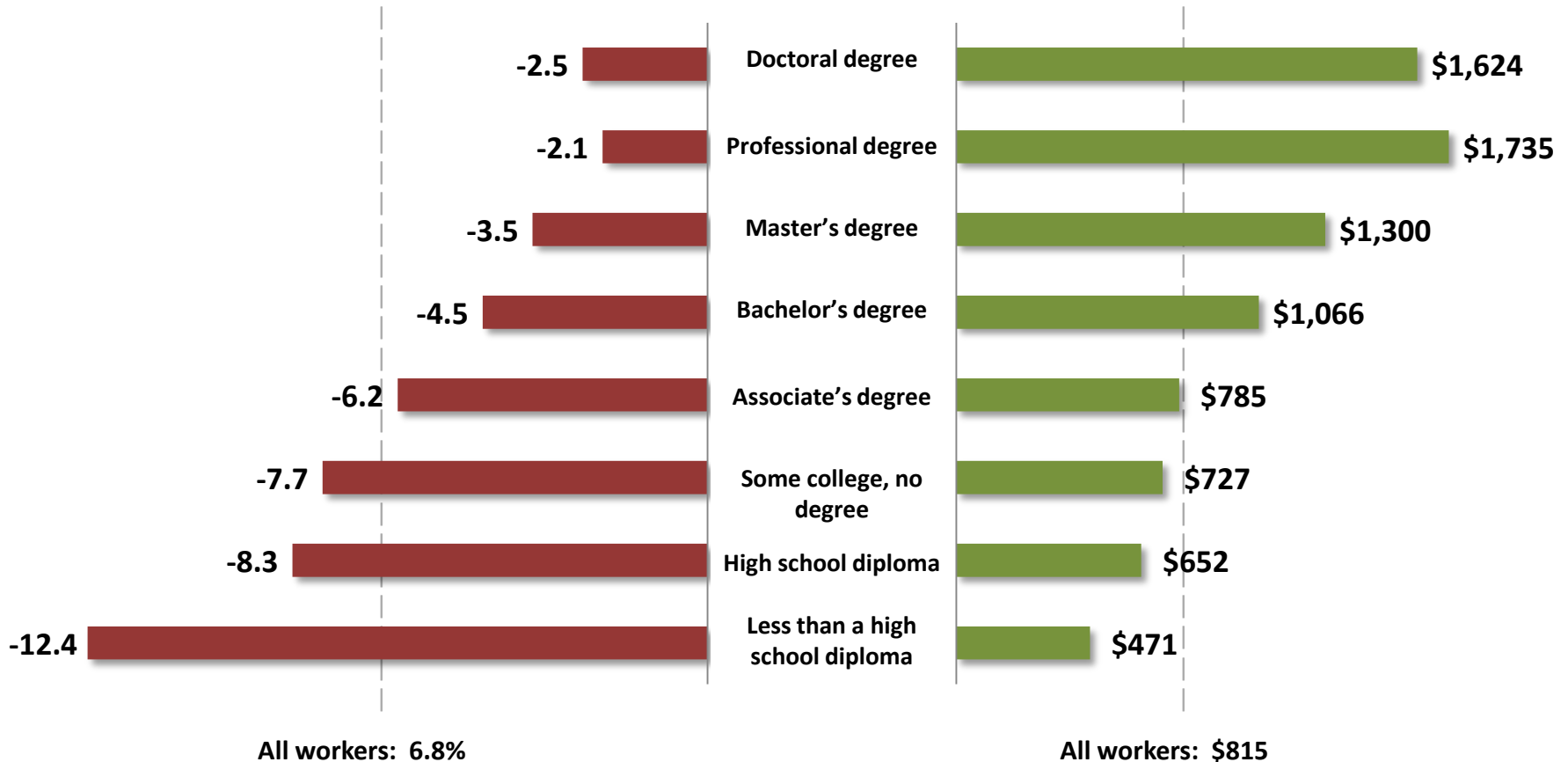
Source: Bishop, Bill. "Rural and Exurban Household Income, 2011." [Main Street Economics](#). Jan 2013.

Education Pays

National Unemployment/Annual Earnings by Education Level

Unemployment rate in 2012 (%)

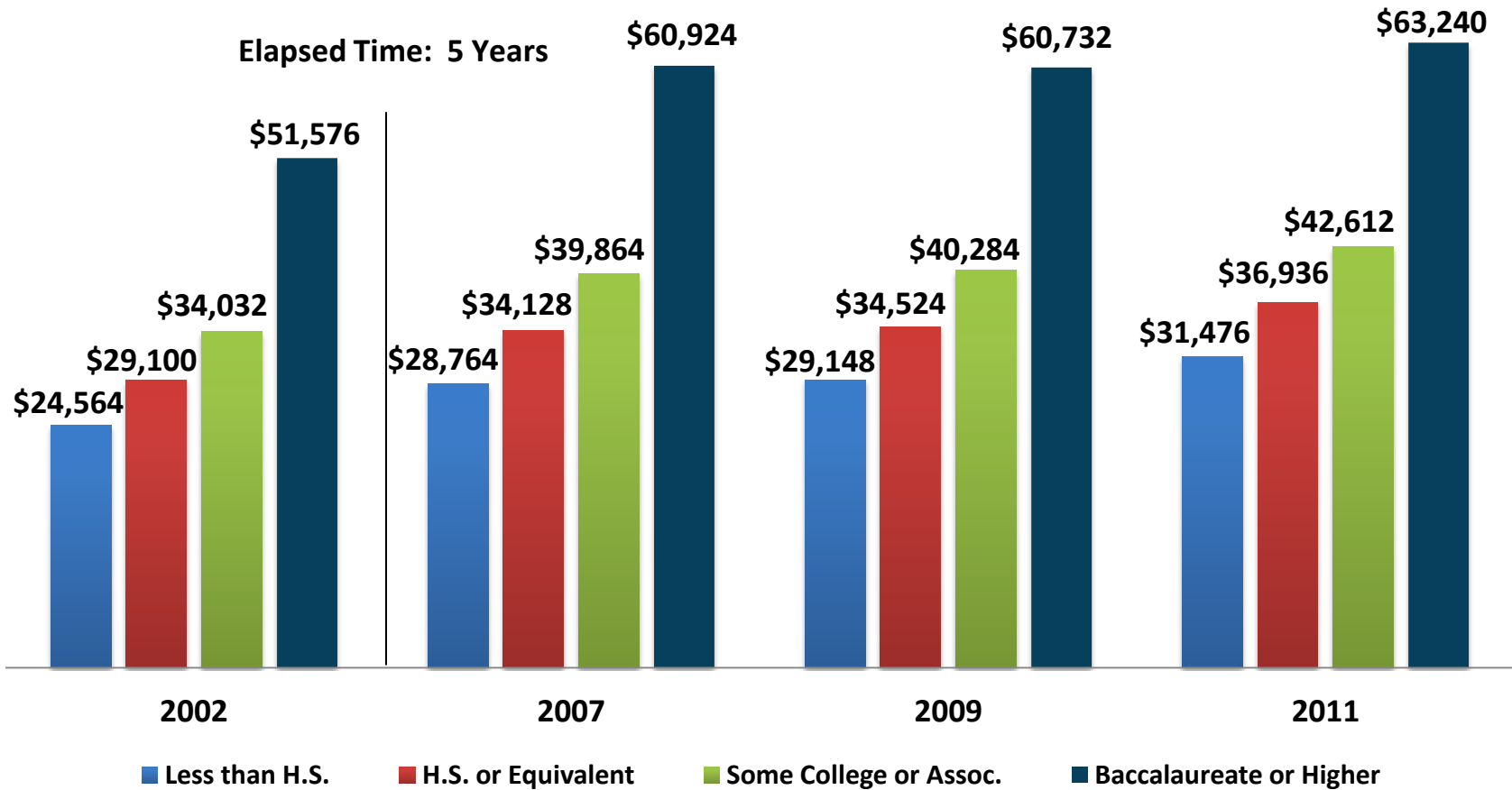
Median weekly earnings in 2012 (\$)



Source: Bureau of Labor Statistics, Current Population Survey.



Average Earnings by Education Level in Kentucky



Source: Quarterly Wage Indicator (QWI) online data 2011, U.S. Census Bureau, Center for Economic Studies



Which Comes First, Educated Workers or Jobs for Educated Workers?



Top Occupational Areas for Job Growth in Kentucky

(2010-2020)

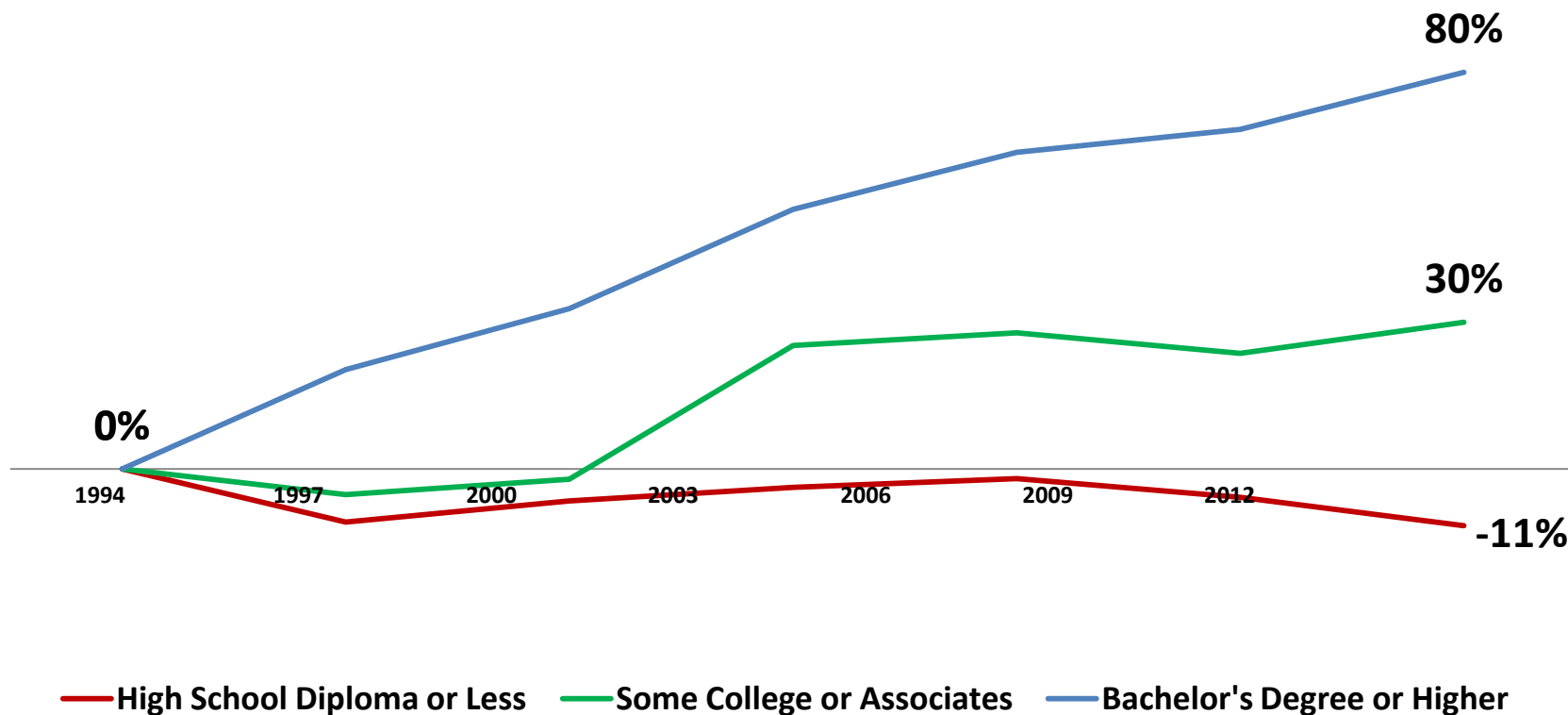
Occupational Category	2010 Employment/Average Annual Job Openings	2020 Employment/Average Annual Job Openings	Percent Change
Installation/Maintenance/Repair	83,480	95,650	↑ 14.58%
Education, Training, and Library	106,660	122,210	↑ 14.58%
Transportation/Materials Moving	159,830	183,850	↑ 15.03%
Life, Physical, and Social Services	10,360	11,930	↑ 15.15%
Construction and Extraction	81,900	96,230	↑ 17.50%
Computer and Mathematical	29,590	35,090	↑ 18.59%
Community and Social Services	26,330	31,860	↑ 21.00%
Healthcare Practitioners	120,700	150,800	↑ 24.94%
Healthcare Support	53,080	66,390	↑ 25.08%
Personal Care and Services	59,700	74,830	↑ 25.34%

Based on percentage change of job openings available (growth + separations) for 2010-2020.

Source: Kentucky Occupational Outlook to 2020, Education and Workforce Development Cabinet, Department of Workforce Investment, OET



Job Growth in Kentucky by Education Level



Source: Kentucky Council on Postsecondary Education. Estimate using Current Population Survey (CPS) data (1994-2012). Employment includes those classified as Employed-at work. Each year is an average of Jan., Apr., and Aug. data.



Top Kentucky Occupations with the Most Annual Job Openings By Educational Attainment Category (2010-2020)

- Growth (New jobs due to demand/industry growth)
- Separations (Job vacancies created by workers leaving an occupation)

Occupations Generally Requiring Some College

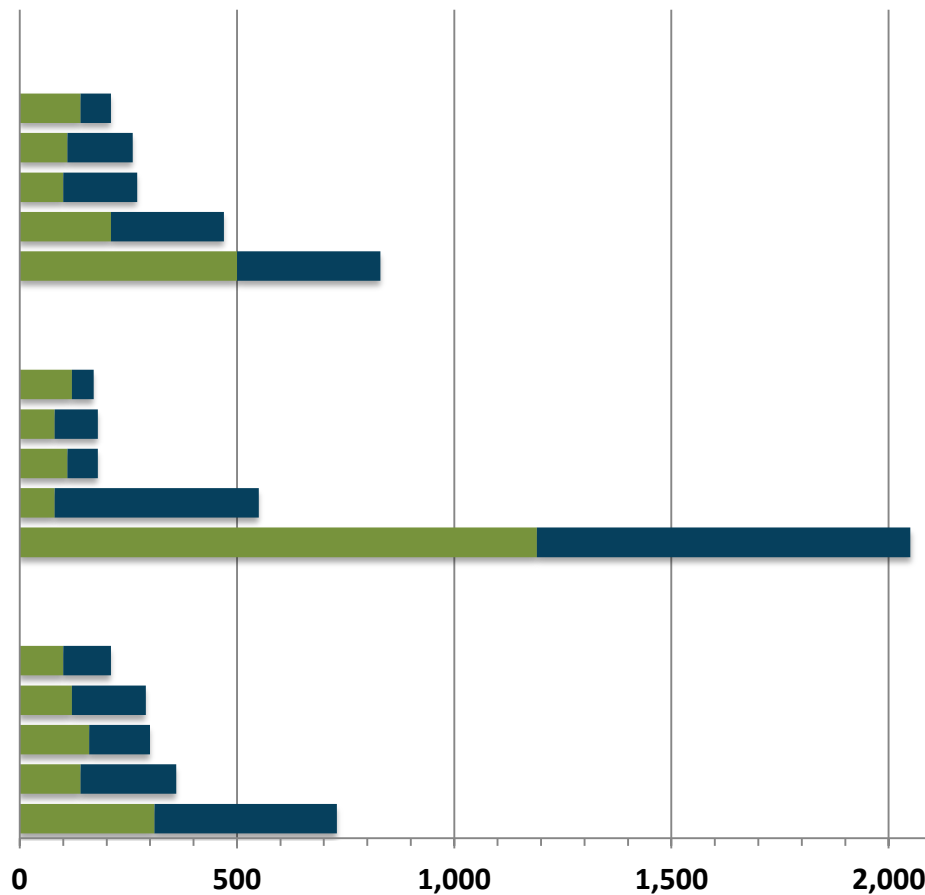
Heating, Air Conditioning, & Refrigeration Mechanics/Installers
Residential Advisors
Computer Support Specialists
Licensed Practical/Vocational Nurses
Nursing Aides, Orderlies, & Attendants

Occupations Generally Requiring an Associate's Degree

Construction Managers
Preschool Teachers
Radiologic Technologists/Technicians
General & Operations Managers
Registered Nurses

Occupations Generally Requiring a Bachelor's Degree

Medical & Health Services Managers
Middle School Teachers
Sales Reps., Whole. & Mfg., Technical & Scientific Products
Accountants & Auditors
Elementary School Teachers



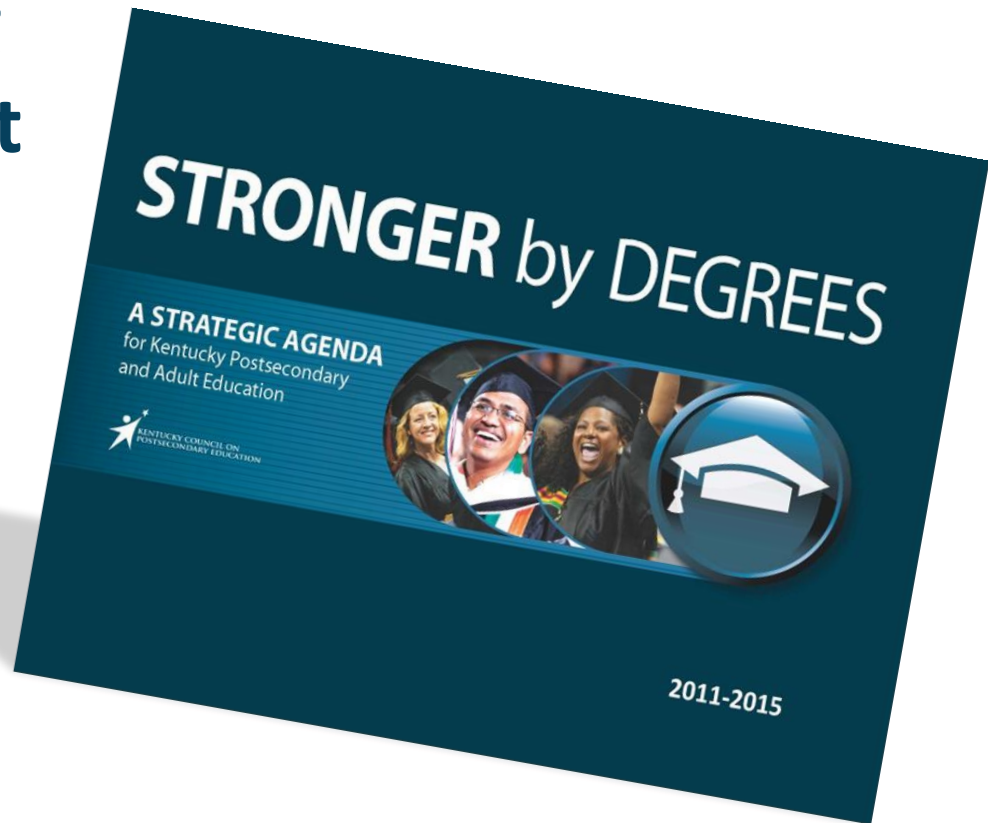
Provided are the top five occupations for each educational category, based on total number of jobs (growth + separations) predicted for 2010-2020.

Source: Kentucky Occupational Outlook to 2020, Education and Workforce Development Cabinet, Department of Workforce Investment, OET



The CPE Strategic Agenda Calls for a Regional Approach to Increasing Educational Attainment

- Establishes metrics and targets for educational attainment in University Areas of Geographic Responsibility
- Also measures college readiness and college-going in these regions



CPE's Rural Access Work Group

The RAWG was called to make recommendations regarding regional approaches to increasing educational attainment and economic vitality across the state.



What can our communities do to help?

- 1. Develop support and commitment to become a Work Ready Community.**

Benefits of Becoming a Work Ready Community

Earning Certified Work Ready Community status assures that local workforces have the talent necessary to staff existing jobs and to master the innovative technologies new jobs will require in the future.

Source: Kentucky Workforce Investment Board (<http://workready.ky.gov/Certified/Default.aspx>). Accessed April 2013.



How to Become a Certified Work Ready Community

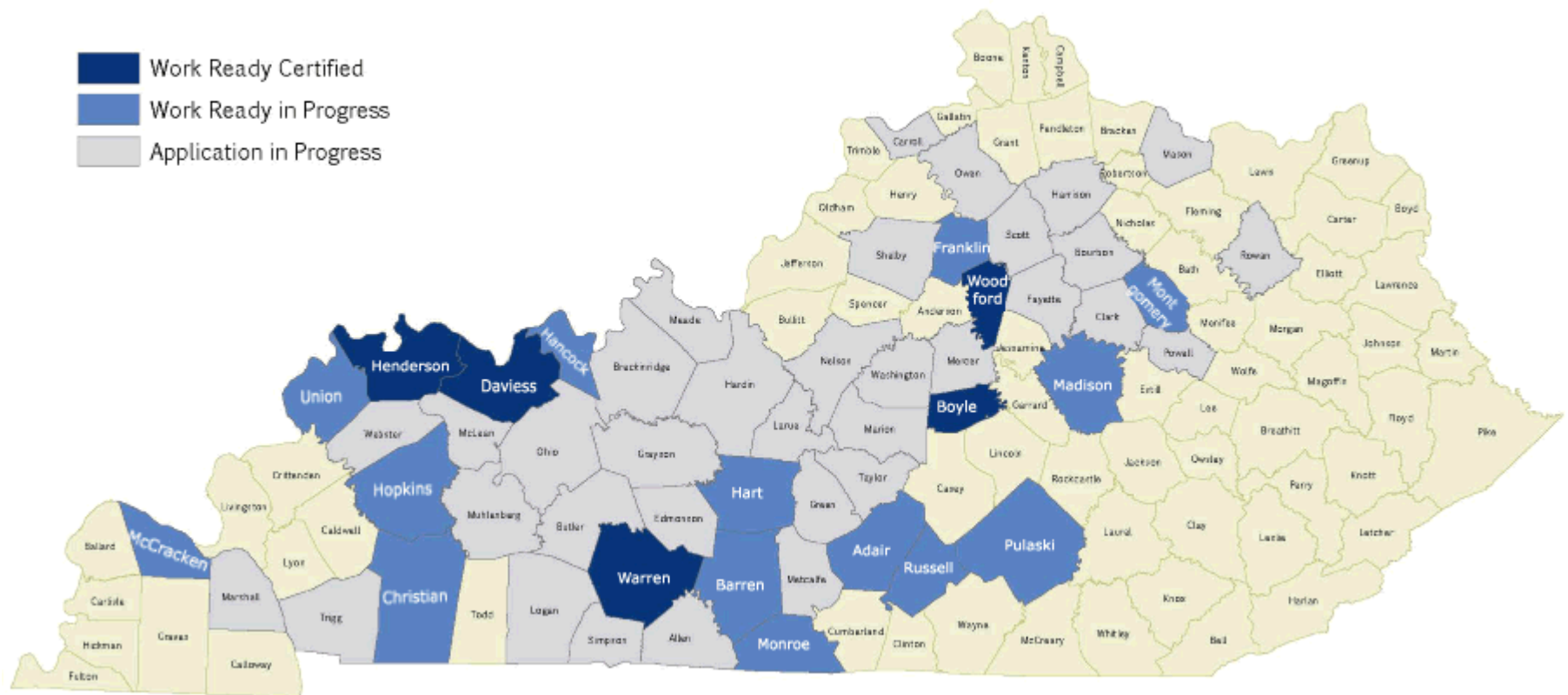
To earn certification, counties will have to meet established criteria in six specific areas:

- Have an 82.32% high school graduation rate.
- Present a plan to increase the number of National Career Readiness Certificates holders to 9% of the working population within 3 years, and 15% within 5 years.
- Demonstrate community commitment through letters of reference from various community leaders.
- Have 25% of the working population holding an associate's degree; and present a plan to raise this to 32% within 3 years and 39% within 5 years.
- Provide evidence of the existence of a work ethic/soft skills development program for secondary and postsecondary.
- Supply evidence that internet connectivity (3 Mbps) is available to 90% of the residents.

Source: Kentucky Workforce Investment Board (<http://workready.ky.gov/Certified/Default.aspx>). Accessed April 2013.



Kentucky's Work Ready Certified Counties



Source: Kentucky Workforce Investment Board (<http://workready.ky.gov/Certified/Default.aspx>). Accessed April 2013.

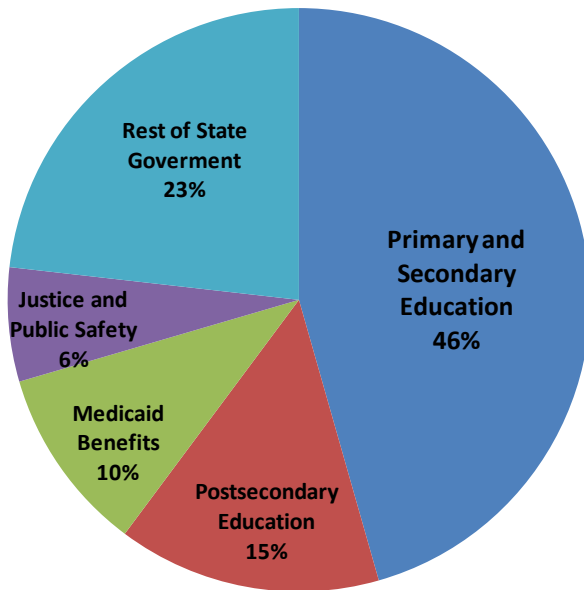
For more information visit
<http://workready.ky.gov>



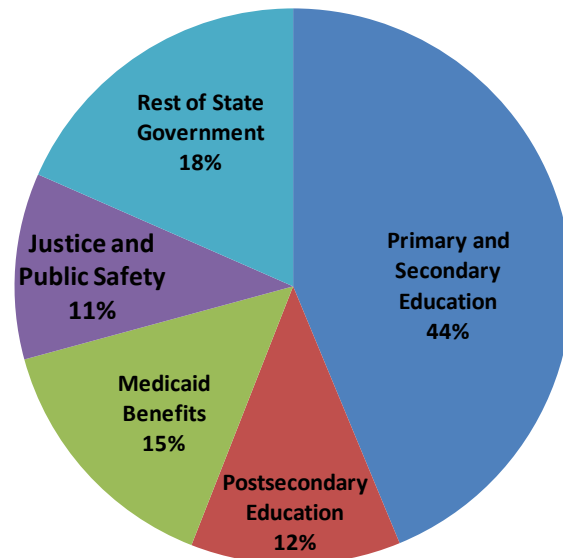
2. Make education affordable to residents of the region by providing scholarship assistance.

State investment in education is losing ground to other state expenditures.

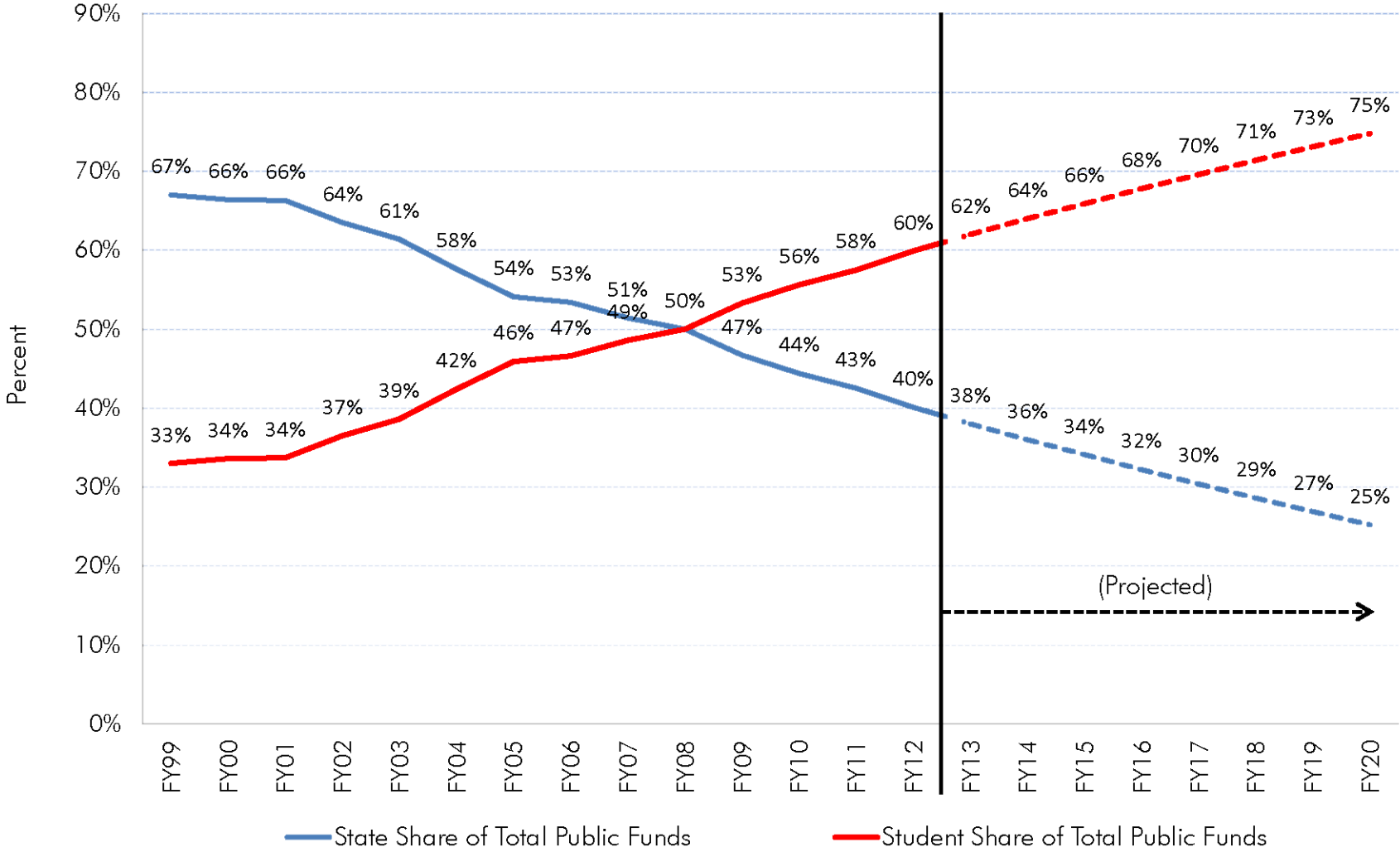
FY 1999
KY General Fund Budget Enacted (\$6 billion)



FY 2014
KY General Fund Executive Budget Proposed (\$9.8 Billion)



Kentucky Public Postsecondary System
Change in State & Student Shares of Total Public Funds
Fiscal Years 1999 - 2020



Sources: Kentucky Budget of the Commonwealth; CPE Comprehensive Database.

State Share = Net General Fund Appropriations ÷ Total Public Funds
Student Share = Gross Tuition & Fee Revenue ÷ Total Public Funds



Transfer of Wealth Opportunities

Over the next 20 years, Kentucky will see a Transfer of Wealth of \$173.34 billion.

If just 5% (\$8.67 billion) was left in community endowment funds, those investments would ultimately supply \$433 million a year to achieve community economic development and quality of life priorities.

Source: Transfer of Wealth Kentucky, Kentucky Philanthropy Initiative (2010).



Transfer of Wealth (TOW) Opportunities: The Potential of Kentucky's Regions/Counties

Kentucky Region	Current Net Worth Total \$ Billions	20-Year TOW \$ Billions	5% Allotment of TOW \$ Millions	Yearly Reward \$ Millions
Kentucky (Statewide)	\$311.00	\$173.34	\$8,670.0	\$433
Barren River	\$15.89	\$9.47	\$474.0	\$23.6
Big Sandy	\$8.58	\$5.26	\$262.8	\$13.14
Bluegrass	\$59.13	\$32.00	\$1,600.0	\$80.0
Buffalo Trace	\$2.73	\$1.54	\$76.92	\$3.85
Cumberland Valley	\$9.00	\$5.28	\$264.21	\$13.21
FIVCO	\$6.21	\$3.50	\$174.76	\$8.74
Gateway	\$2.91	\$1.76	\$87.89	\$4.39
Green River	\$12.84	\$7.17	\$358.71	\$17.94
Kentuckiana	\$110.25	\$59.74	\$2,980.0	\$149.35
Kentucky River	\$4.63	\$2.83	\$141.48	\$7.07
Lake Cumberland	\$9.75	\$6.14	\$307.18	\$15.36
Lincoln Trail	\$13.12	\$7.52	\$375.81	\$18.79
Northern Kentucky	\$32.45	\$17.45	\$872.39	\$43.62
Pennryrile	\$9.50	\$5.46	\$273.13	\$13.66
Purchase	\$14.44	\$8.23	\$411.29	\$20.56

Estimates based on a conservative 5 percent annual rate of return on TOW endowments.

Source: Transfer of Wealth Kentucky, Kentucky Philanthropy Initiative (2010).



The Endow Kentucky Bill (SB 227)

Transferring a Small Percentage of Assets at Death to Support Investments in a Community

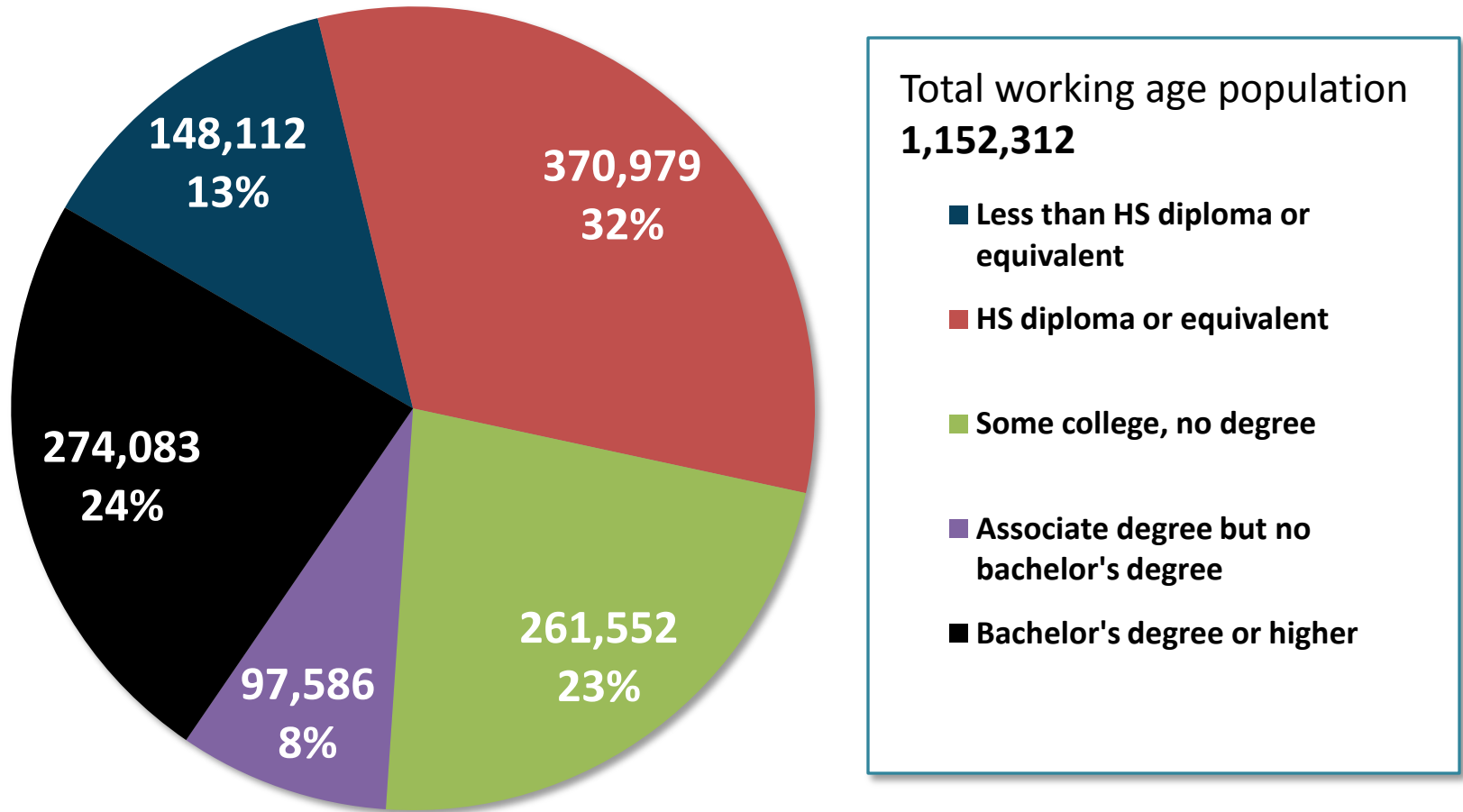
- 20% tax credit (not to exceed \$10,000) for contributions to qualified community foundations, county-specific component funds and affiliate community foundations.
- Capacity building grants (up to \$50,000) and challenge grants for community-based unrestricted endowment fund development.
 - 40% of these grants are designated for newly established or emerging qualified community foundations, county-specific component funds and affiliate community foundations that address the needs of rural areas in Kentucky.

Source: Transfer of Wealth Kentucky, Kentucky Philanthropy Initiative (2010).



3. Develop initiatives that both promote and reward employees for educational attainment.

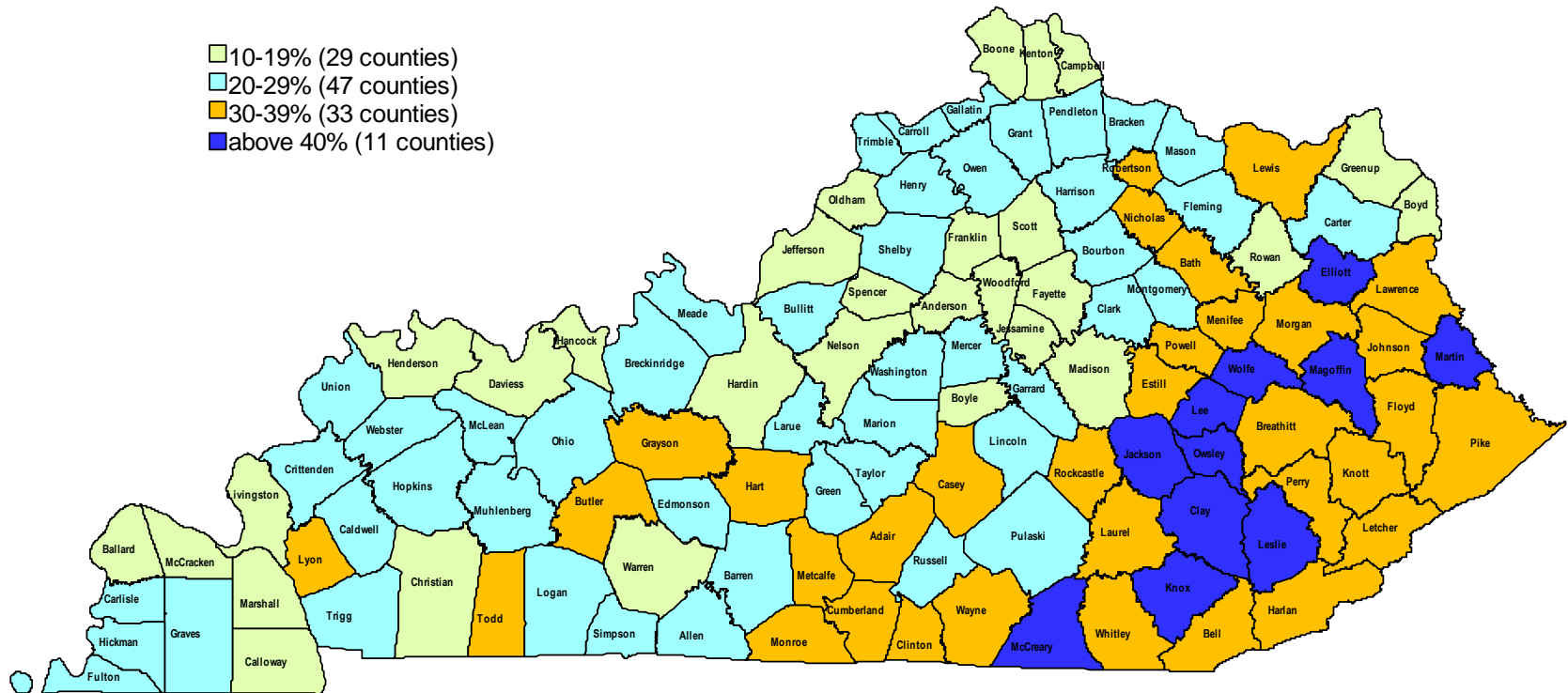
Education Levels of Kentucky Adults (25-44 years old)



Source: U.S. Census Bureau, 2006-10 American Community Survey Five-Year Estimates

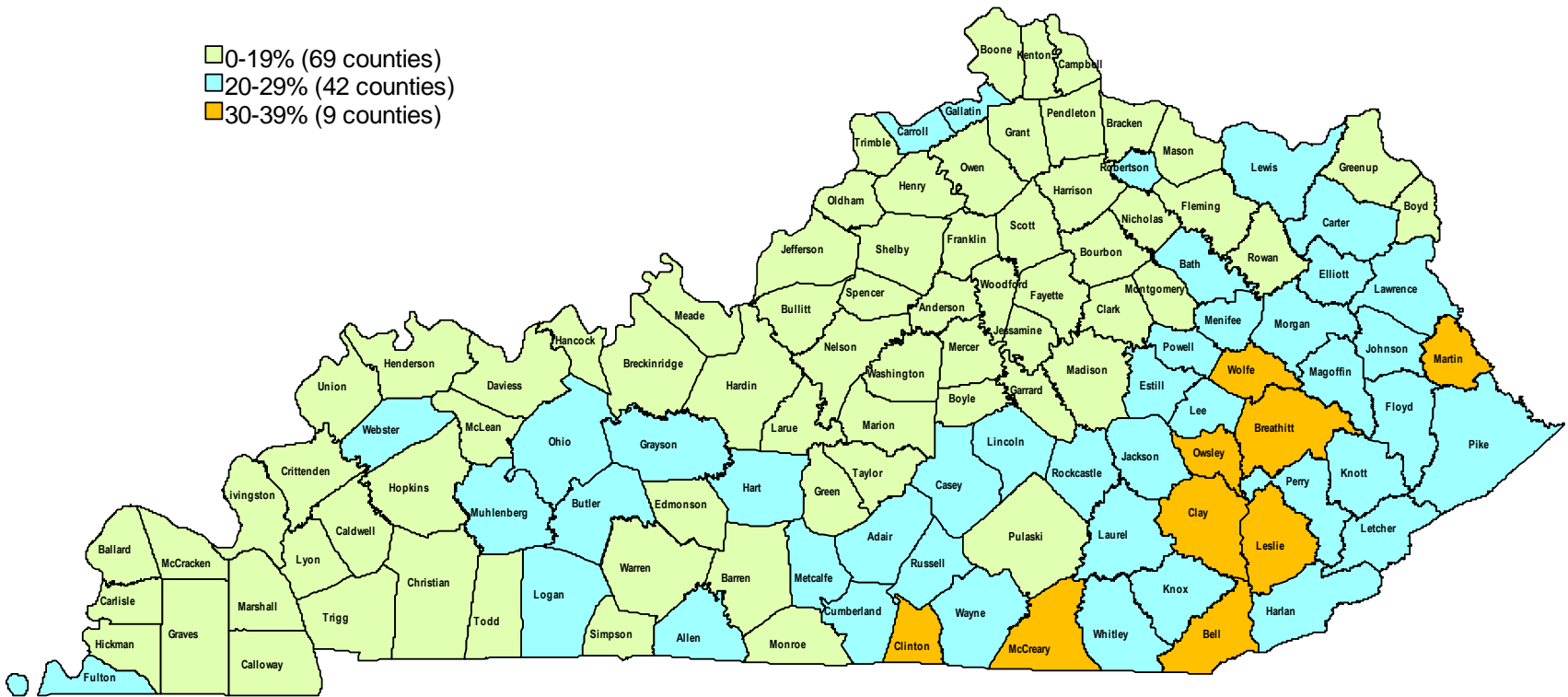


**Percent of Population, 18 - 64,
without a High School Credential
2000**



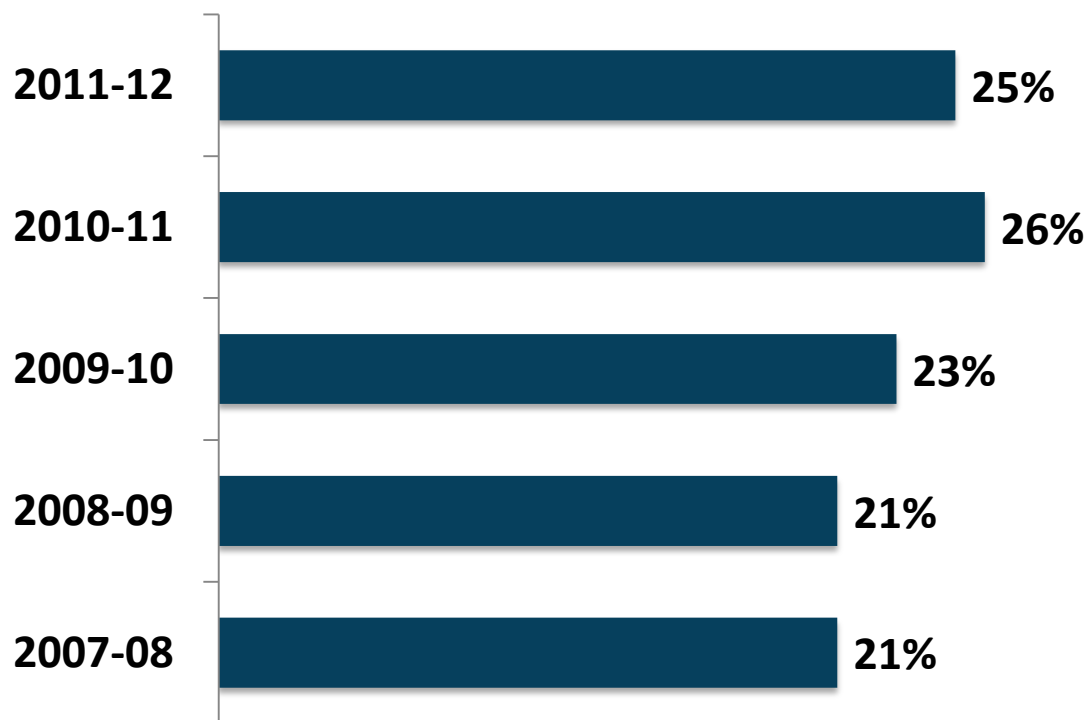
Source: 2010 5-year American Community Survey

**Percent of Population, 18 - 64,
without a High School Credential
2010**



Source: 2010 5-year American Community Survey

GED[®] Graduates Enrolling in a Kentucky College or University within Two Academic Years



Source: CPE Comprehensive Database (AERIN and KPEDS)

Includes all GED graduates two years previous who enrolled in a Kentucky public or AIKCU institution within two years.

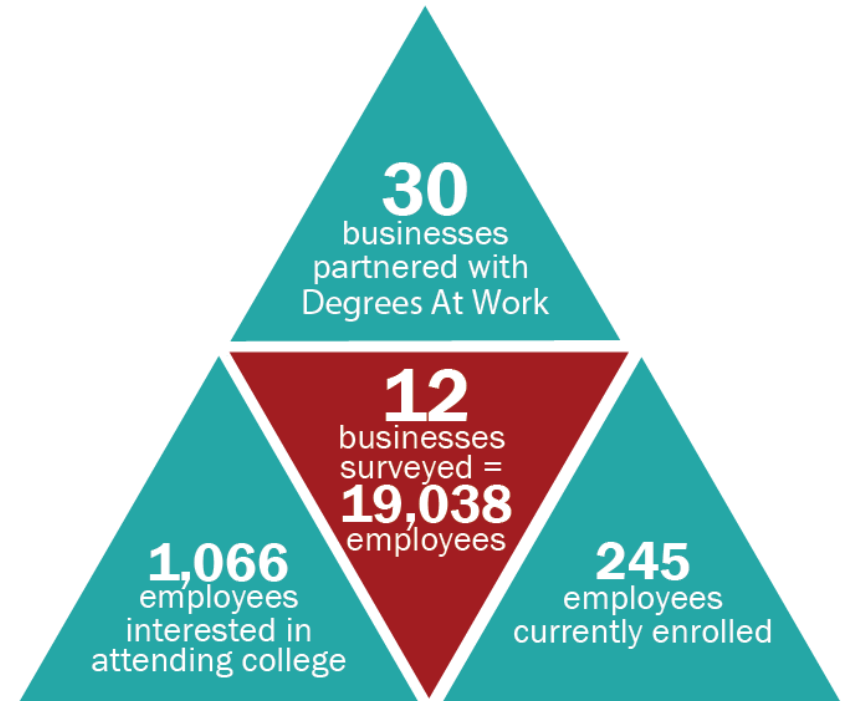


55,000 Degrees

Community partnership in Louisville with the goal of adding 40,000 bachelor's degrees and 15,000 associate's degrees by 2020.

Objectives:

- Create and support a college-going culture.
- Use the business community's unique points of leverage to accelerate attainment.
- Prepare students for success in college, career, citizenship, and life.
- Make postsecondary education accessible and affordable.
- Increase educational persistence, performance and progress.



Employers have resources, bargaining power and ability to provide employee support to help reach the goal.

Source: 55,000 Degrees, <http://www.55000degrees.org/about-55k/our-objectives/>. Accessed April 2013.



“Metropolitan College”

Partnership between UPS, Commonwealth of Kentucky, University of Louisville and Jefferson Community and Technical College.

- Students work part-time at UPS in exchange for a free education at either UofL or JCTC.
- Benefits include:
 - deferred full undergraduate in-state tuition;
 - book reimbursement;
 - academic bonuses;
 - student support;
 - career services; and
 - access to a computer lab.

Source: United Parcel Service, <http://ups.managehr.com/earn-and-learn-program.htm>. Accessed April 2013.



Starting the Community Initiative Conversation: Self-Assessment of Your Community's Strengths and Challenges

The Competitive Communities Initiative's "Six Foundations for Growth":

- Skilled and adaptive workforce;
- Good basic and advanced infrastructure;
- Access to capital;
- Access to technology;
- Pro-competitive policies; and
- Social infrastructure necessary for a high quality of life.

Source: <http://www.communitydevelopment.uiuc.edu>. Accessed April 2013.



“Better education – and better access to education – are keys to sustained economic growth for our state. Investing in higher education is not only an investment in our students, but also an investment in our economy and future economic competitiveness.”

– Governor Steve Beshear

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